

Message Text

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ACTION IO-14

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SUBJ: IDB XII, U.S. DEL REPORT ON AGENDA ITEM 13-- SENIOR
INDUSTRIAL DEVELOPMENT FIELD ADVISERS (SIDFA'S)

REFS: A) VIENNA 2549; B) VIENNA 3238; C) STATE 94208;
D) VIENNA 3975

1. SUMMARY. UK PROMOTED ITS REGIONAL APPROACH TO
INDUSTRIAL DEVELOPMENT FIELD ADVICE BUT RECEIVED NO
SUPPORT OR ENCOURAGEMENT. U.S. AND SEVERAL OTHER DONORS
EMPHASIZED IMPORTANCE OF SIDFA'S IN-COUNTRY KNOWLEDGE AND
CONTACTS. NORDICS JOINED G-77 IN CALLING FOR FINANCING
OF SIDFA'S FROM REGULAR BUDGET. SIDFA QUESTION WILL BE ON
AGENDA OF ELEVENTH SESSION OF PERMANENT COMMITTEE (PC-XI)
IN DECEMBER 1978. MISSION SUGGESTS DEPARTMENT AND USAID
BEGIN EARLY REVIEW AND REFINEMENT OF U.S. POSITION. END
SUMMARY.

2. HEAD OF UK DELEGATION TO IDB-XII (WINDSOR) INTRODUCED
HIS PROPOSED "REGIONAL" RESTRUCTURING OF THE SIDFA PROGRAM
AT A GRDUP B MEETING MIDWAY THROUGH THE SECOND WEEK OF
THE CONFERENCE, ALONG LINES OF DRAFTS PREVIOUSLY CIRCU-
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LATED BY UK MISSION (VIENNA 2549). WINDSOR MADE ADDI-
TIONAL POINT THAT IF PROPOSED REPLACEMENT OF PRESENT UNDP
RES. REP. BY A "TEAM LEADER" NOMINATED DIRECTLY BY SYG IS
ADOPTED, THIS NEW UN "TEAM LEADER" WOULD REPRESENT UNIDO
AS WELL AS ALL OTHER UN AGENCIES, THUS OBVIATING NEED FOR
SEPARATE AND DISTINCT IN-COUNTRY UNIDO PRESENCE.

3. GROUP B EVINced NO ENTHUSIASM OR SUPPORT. FRG, U.S. AND OTHERS (IN LINE WITH INTERVENTIONS THEY WOULD MAKE IN PLENARY) EXPRESSED DOUBTS CONCERNING THE FINANCIAL IMPLICATIONS, THE LOSS OF IN-COUNTRY PRESENCE AND KNOWLEDGE AND THE THREAT TO THE UN "TEAM" CONCEPT.

4. DURING PLENARY DEBATE ON THE ITEM, WINDSOR MADE A LONG INTERVENTION WHICH ATTEMPTED TO ANSWER IN DETAIL THE VARIOUS OBJECTIONS. INTERVENTION BEGAN WITH REFERENCE TO UNDP REPORT ON SECTORAL SUPPORT (DP/323) WHICH WILL COME UP FOR DISCUSSION DURING THE JUNE MEETING OF THE UNDP GOVERNING COUNCIL. WINDSOR POINTED OUT THAT UNIDO SEEMED TO FORESEE A GREATER ROLE FOR THE SIDFA THAN DID THE UNDP REPORT. HE FELT THIS REFLECTED SERIOUS DOUBTS ABOUT THE EFFECTIVENESS OF THE PROGRAM WHICH CALLED FOR A STUDY TO SEE HOW IT COULD BE IMPROVED.

5. WINDSOR EXPLAINED THAT HIS "REGIONAL TEAM" CONCEPT WAS BASED UPON UK EXPERIENCE IN ITS OWN OVERSEAS DEVELOPMENT PROGRAM. IT WOULD CALL FOR "AN INTER-DISCIPLINARY TEAM OF ADVISERS (A HALF-DOZEN OR SO) WHO ARE SPECIALISTS IN THE MOST IMPORTANT AREAS OF INDUSTRIAL DEVELOPMENT STATIONED IN A NUMBER OF STRATEGIC SPOTS IN THE DEVELOPING WORLD. IN EFFECT, ADVISERS WHO WOULD OTHERWISE BE STATIONED AT HEADQUARTERS ARE LOCATED IN THE CAPITAL OF A DEVELOPING COUNTRY IN THE REGION AND WORK JOINTLY WITH LIMITED OFFICIAL USE

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(OTHER UN) REPRESENTATIVES IN BUILDING UP CONTACTS WITH THE GOVERNMENTS AND INSTITUTIONS IN THE DEVELOPING COUNTRIES IN THEIR REGION, PAY FREQUENT VISITS TO THESE COUNTRIES INDIVIDUALLY AND AS A TEAM AS THE OCCASION DEMANDS AND WORKING IN CLOSE CONJUNCTION WITH GOVERNMENT OFFICIALS, IDENTIFY, PROCESS AND MONITOR PROGRESS ON PROJECTS FINANCED FROM (UN) RESOURCES. IN OTHER WORDS, THEY ARE A PROJECTION OF HEADQUARTERS IN THE FIELD."

6. WINDSOR REPEATED HIS ARGUMENT CONCERNING THE APPOINTMENT OF A UN "TEAM LEADER" AND CALLED FOR A STUDY, PERHAPS JOINTLY WITH UNDP, TO BE UNDERTAKEN IN TIME TO REPORT TO IDB-XIII. HIS INTERVENTION DID NOT GENERATE ANY OVERT SUPPORT AMONG THE OTHER DELEGATIONS OR WITHIN THE SECRETARIAT.

7. THE U.S. DEL'S STATEMENT COMMENDED THE SECRETARIAT ON THE POSITIVE MEASURES TAKEN TO IMPROVE THE EFFICIENCY OF THE PROGRAM, RECOMMENDED THAT SIDFA'S PAY PARTICULAR ATTENTION DURING PROJECT DESIGN TO THE INCLUSION OF EVALUATION CRITERIA, STRESSED THE IMPORTANCE OF THE UNDP TEAM CONCEPT AND OF IN-COUNTRY KNOWLEDGE FOR THE SIDFA, AND REITERATED

THE USG POSITION THAT SIDFA'S SHOULD CONTINUE TO BE FINANCED FROM VOLUNTARY CONTRIBUTIONS AND NOT FROM THE REGULAR BUDGET.

8. WHILE MOST OTHER GROUP B COUNTRIES, LIKE THE U.S., REAFFIRMED THEIR POSITION THAT SIDFA'S SHOULD BE FINANCED FROM VOLUNTARY CONTRIBUTIONS, THE NORDICS JOINED THE G-77 IN SUPPORTING USE OF THE REGULAR BUDGET. G-77 INTERVEN-

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TIONS ALSO URGED THE RAPID EXPANSION OF THE NUMBER OF SIDFA'S TO AT LEAST THE 60 ALREADY ENVISAGED. GROUP D INTERVENTIONS RAISED AGAIN THE SPECTOR OF "EQUITABLE GEOGRAPHICAL DISTRIBUTION" OF THE SIDFA'S. THE UNDP OBSERVER (HARLAND), WITHOUT EXPLICITLY SUPPORTING REGULAR BUDGET FINANCING OF SIDFA'S, INDICATED A SERIES OF SECTORAL SUPPORT GUIDELINES WHICH WOULD MAKE IT DIFFICULT TO CONTINUE FINANCING SIDFA'S FROM TECHNICAL ASSISTANCE FUNDS.

9. SECRETARIAT (KONZ) STRESSED THE IMPORTANCE THE SECRETARIAT PLACED ON THE FIELD-REPRESENTATION OF THE INDUSTRIAL SECTOR IN ORDER FOR IT TO RECEIVE DUE CONSIDERATION DURING PLANNING. IN REGARD TO THE QUESTION OF THE FINANCING OF SIDFA'S FROM THE REGULAR BUDGET (UNGA RES. 32/165), THE SECRETARIAT WOULD BE FORMULATING PROPOSALS WHICH WOULD BE "PRAGMATIC" AND WOULD BEAR IN MIND "ALL POSSIBLE SOURCES OF FINANCING."

10. COMMENT. THOUGH NO SUPPORT AND MUCH GENERAL OPPOSITION WAS EXPRESSED TO THE "REGIONAL TEAM" CONCEPT, WINDSOR CLEARLY INTENDS TO CONTINUE TO PUSH HIS PROPOSAL AND IT

MIGHT WELL EVENTUALLY OCCUR TO THE SECRETARIAT TO PICK UP THE REGIONAL TEAM CONCEPT AS AN ADDITION TO, AND NOT A SUBSTITUTE FOR, THE SINGLE COUNTRY SIDFA PROGRAM. (THIS LIMITED OFFICIAL USE

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COMBINATION WOULD SEEM TO BE NOT INCONSISTENT WITH ARGUMENTATION IN STATE 94208 AND POSITION PAPER UNECD-248/78, WHICH US DEL DID NOT INCLUDE IN ITS PLENARY INTERVENTION SO AS TO AVOID APPEARANCE OF SUPPORT FOR REGIONAL TEAM CONCEPT. SUCH A COMBINATION WOULD, OF COURSE, HAVE IMPORTANT FINANCIAL IMPLICATIONS.) ADDITIONALLY, WE CAN EXPECT CONTINUING PRESSURE FOR REGULAR BUDGET FINANCING OF SIDFA'S, ESPECIALLY FROM DEVELOPING COUNTRIES WHO EXPRESS A DESIRE FOR INDUSTRIAL DEVELOPMENT FIELD ADVICE BUT RESIST DIVERTING LIMITED TECHNICAL ASSISTANCE FUNDS TO PAYING FOR A SIDFA.

11. THE SIDFA PROGRAM IS ON THE AGENDA FOR PC-XI, WHERE SECRETARIAT HAS BEEN ASKED TO REPORT IN LIGHT OF DISCUSSION OF SECTORAL SUPPORT AT JUNE MEETING OF UNDP GOVERNING COUNCIL. IN ANTICIPATION OF PC-XI, MISSION SUGGESTS DEPARTMENT AND USAID GIVE EARLY ATTENTION TO REVIEW AND REFINEMENT OF U.S. POSITION REGARDING THE KIND OF INDUSTRIAL DEVELOPMENT FIELD ADVICE REQUIRED BY LDC'S, THE BEST WAY TO PROVIDE THIS ADVICE, AND THE MOST EFFECACIOUS MANNER OF FUNDING THE PROVISION OF SUCH ADVICE. LEARY

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